

LEGISLATURE OF NEBRASKA  
NINETY-SIXTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1349**

Introduced by Bromm, 23; Wehrbein, 2

Read first time January 19, 2000

Committee: Transportation and Telecommunications

A BILL

1 FOR AN ACT relating to the Information Technology Infrastructure  
2 Act; to amend sections 81-1190 to 81-1192, 81-1194,  
3 81-1195, 81-1199, and 81-11,102, Reissue Revised Statutes  
4 of Nebraska, section 81-179, Revised Statutes Supplement,  
5 1998, and section 77-2602, Revised Statutes Supplement,  
6 1999; to change provisions of the act; to define and  
7 redefine terms; to change funding; to change and  
8 eliminate powers and duties; to eliminate a termination  
9 date; to harmonize provisions; to repeal the original  
10 sections; and to outright repeal sections 81-1193,  
11 81-1197, 81-1198, 81-11,100, 81-11,101, and 81-11,103,  
12 Reissue Revised Statutes of Nebraska.  
13 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 77-2602, Revised Statutes Supplement,  
2 1999, is amended to read:

3           77-2602. (1) Every person engaged in distributing or  
4 selling cigarettes at wholesale in this state shall pay to the Tax  
5 Commissioner of this state a special privilege tax. This shall be  
6 in addition to all other taxes. It shall be paid prior to or at  
7 the time of the sale, gift, or delivery to the retail dealer in the  
8 several amounts as follows: On each package of cigarettes  
9 containing not more than twenty cigarettes, thirty-four cents per  
10 package; and on packages containing more than twenty cigarettes,  
11 the same tax as provided on packages containing not more than  
12 twenty cigarettes for the first twenty cigarettes in each package  
13 and a tax of one-twentieth of the tax on the first twenty  
14 cigarettes on each cigarette in excess of twenty cigarettes in each  
15 package. Commencing July 1, 1994, and continuing until July 1,  
16 2009, the State Treasurer shall place the equivalent of twenty-one  
17 cents of such tax less three million dollars each fiscal year of  
18 proceeds of such tax in the General Fund. Commencing July 1, 2009,  
19 the State Treasurer shall place the equivalent of twenty-one cents  
20 of such tax in the General Fund. For purposes of this section, the  
21 equivalent of a specified number of cents of the tax shall mean  
22 that portion of the proceeds of the tax equal to the specified  
23 number divided by thirty-four. The State Treasurer shall  
24 distribute the remaining proceeds of such tax in the following  
25 order:

26           (a) First, beginning July 1, 1980, the State Treasurer  
27 shall place the equivalent of one cent of such tax in the Nebraska  
28 Outdoor Recreation Development Cash Fund. For fiscal year

1 distributions occurring after FY1998-99, the distribution under  
2 this subdivision shall not be less than the amount distributed  
3 under this subdivision for FY1997-98. Any money needed to increase  
4 the amount distributed under this subdivision to the FY1997-98  
5 amount shall reduce the twenty-one-cent distribution to the General  
6 Fund;

7           (b) Second, beginning July 1, 1993, the State Treasurer  
8 shall place the equivalent of three cents of such tax in the  
9 Department of Health and Human Services Finance and Support Cash  
10 Fund to carry out sections 81-637 to 81-640. For fiscal year  
11 distributions occurring after FY1998-99, the distribution under  
12 this subdivision shall not be less than the amount distributed  
13 under this subdivision for FY1997-98. Any money needed to increase  
14 the amount distributed under this subdivision to the FY1997-98  
15 amount shall reduce the twenty-one-cent distribution to the General  
16 Fund;

17           (c) Third, beginning July 1, 1995, the State Treasurer  
18 shall place the equivalent of two cents of such tax in the City of  
19 Omaha Public Events Facilities Fund for each fiscal year through  
20 fiscal year 2000-01. The Legislature shall appropriate all sums  
21 inuring to the fund to the city of Omaha upon evidence that any  
22 amounts so appropriated are matched with funds derived from sources  
23 other than state funds in amounts equivalent to one dollar for  
24 every two dollars appropriated. For fiscal year distributions  
25 occurring after FY1998-99, the distribution under this subdivision  
26 shall not be less than the amount distributed under this  
27 subdivision for FY1997-98. Any money needed to increase the amount  
28 distributed under this subdivision to the FY1997-98 amount shall

1 reduce the twenty-one-cent distribution to the General Fund;

2 (d) Fourth, beginning July 1, 1997, and continuing until  
3 July 1, 2001, the State Treasurer shall place the equivalent of  
4 seven cents of such tax in the Building Renewal Allocation Fund for  
5 each fiscal year, for the purposes stated in the Deferred Building  
6 Renewal Act. Beginning July 1, 2001, and continuing until all the  
7 purposes of the Deferred Building Renewal Act have been fulfilled,  
8 the State Treasurer shall place the equivalent of ~~nine~~ seven cents  
9 of such tax in the Building Renewal Allocation Fund. The  
10 Legislature shall appropriate each fiscal year all sums inuring to  
11 the fund, plus interest earnings for the Task Force for Building  
12 Renewal to be used to carry out its duties and to fulfill the  
13 purposes of the Deferred Building Renewal Act. Unexpended balances  
14 existing at the end of each fiscal year shall be, and are hereby,  
15 reappropriated. For fiscal year distributions occurring after  
16 FY1998-99, the distribution under this subdivision shall not be  
17 less than the amount distributed under this subdivision for  
18 FY1997-98. Any money needed to increase the amount distributed  
19 under this subdivision to the FY1997-98 amount shall reduce the  
20 twenty-one-cent distribution to the General Fund;

21 (e) Fifth, the State Treasurer shall place the difference  
22 between the equivalent of thirteen cents of such tax and the sum of  
23 the amounts distributed pursuant to subdivisions (a) through (d)  
24 and (g) of this subsection in a special fund to be known as the  
25 Nebraska Capital Construction Fund; ~~and~~

26 (f) Sixth, beginning July 1, 1994, and continuing until  
27 July 1, 2009, the State Treasurer shall place in the Municipal  
28 Infrastructure Redevelopment Fund the sum of three million dollars

1 each fiscal year to carry out the Municipal Infrastructure  
2 Redevelopment Fund Act. The Legislature shall appropriate the sum  
3 of three million dollars each year for fiscal year 1994-95 through  
4 fiscal year 2008-09; and

5 (g) Seventh, beginning July 1, 2001, the State Treasurer  
6 shall place the equivalent of two cents of such tax in the  
7 Information Technology Infrastructure Fund.

8 (2) The Legislature hereby finds and determines that the  
9 projects funded from the Municipal Infrastructure Redevelopment  
10 Fund, the City of Omaha Public Events Facilities Fund, and the  
11 Building Renewal Allocation Fund are of critical importance to the  
12 State of Nebraska. It is the intent of the Legislature that the  
13 allocations and appropriations made by the Legislature to such  
14 funds or, in the case of allocations for the Municipal  
15 Infrastructure Redevelopment Fund, to the particular municipality's  
16 account not be reduced until all contracts and securities relating  
17 to the construction and financing of the projects or portions of  
18 the projects funded from such funds or accounts of such funds are  
19 completed or paid or, in the case of the Municipal Infrastructure  
20 Redevelopment Fund, the earlier of such date or July 1, 2009, and  
21 that until such time any reductions in the cigarette tax rate made  
22 by the Legislature shall be simultaneously accompanied by  
23 equivalent reductions in the amount dedicated to the General Fund  
24 from cigarette tax revenue. Any provision made by the Legislature  
25 for distribution of the proceeds of the cigarette tax for projects  
26 or programs other than those to (a) the General Fund, (b) the  
27 Nebraska Outdoor Recreation Development Cash Fund, (c) the  
28 Department of Health and Human Services Finance and Support Cash

1 Fund, (d) the Municipal Infrastructure Redevelopment Fund, (e) the  
2 City of Omaha Public Events Facilities Fund, ~~and~~ (f) the Building  
3 Renewal Allocation Fund, and (g) the Information Technology  
4 Infrastructure Fund shall not be made a higher priority than or an  
5 equal priority to any of the programs or projects specified in  
6 subdivisions (a) through ~~(f)~~ (g) of this subsection.

7 Sec. 2. Section 81-179, Revised Statutes Supplement,  
8 1998, is amended to read:

9 81-179. There is hereby created under the control of the  
10 Governor, for allocation to building renewal projects of the  
11 various agencies, a fund to be known as the Building Renewal  
12 Allocation Fund. The fund shall contain the revenue from the  
13 special privilege tax as provided in section 77-2602 and such other  
14 money as is appropriated by the Legislature. Such appropriation is  
15 declared to consist of building renewal funds which shall be kept  
16 separate and distinct from the program continuation funds and  
17 project construction funds. Separate subfunds, subprograms,  
18 projects, or accounts shall be established to separately account  
19 for any expenditures on state buildings or facilities to comply  
20 with the federal Americans with Disabilities Act of 1990. A  
21 minimal amount of the funds contained in the subfunds, subprograms,  
22 projects, or accounts may be used for planning and evaluation of  
23 buildings and facilities. The budget division of the Department of  
24 Administrative Services may administratively transfer funds to  
25 appropriate accounting entities to correctly account for the  
26 operating expenditures. A separate fund, cash fund, project, or  
27 other account may be administratively established for such purpose.  
28 At the direction of and subject to express appropriation by the

1 Legislature, amounts accruing to the Building Renewal Allocation  
2 Fund for fiscal years 1997-98 through 2000-01 may be expended to  
3 support achievement of goals identified in the Information  
4 Technology Infrastructure Act. Annual appropriations from the  
5 Building Renewal Allocation Fund for such purpose shall not exceed  
6 annual anticipated revenue from the equivalent of two cents of the  
7 special privilege tax as provided in section 77-2602. Any money in  
8 the fund available for investment shall be invested by the state  
9 investment officer pursuant to the Nebraska Capital Expansion Act  
10 and the Nebraska State Funds Investment Act. On or after June 15,  
11 2001, and before June 30, 2001, the State Treasurer shall transfer  
12 the unexpended balance in the Century Date Change subfund of the  
13 Building Renewal Allocation Fund to the Information Technology  
14 Infrastructure Fund.

15 Sec. 3. Section 81-1190, Reissue Revised Statutes of  
16 Nebraska, is amended to read:

17 81-1190. Sections 81-1190 to ~~81-11,103~~ 81-11,102 and  
18 section 8 of this act shall be known and may be cited as the  
19 Information Technology Infrastructure Act.

20 Sec. 4. Section 81-1191, Reissue Revised Statutes of  
21 Nebraska, is amended to read:

22 81-1191. For purposes of the Information Technology  
23 Infrastructure Act:

24 (1) ~~Century date change means the conversion of computer~~  
25 ~~software, hardware, and data to function correctly prior to January~~  
26 ~~1, 2000,~~

27 ~~(2) Data processing hardware means equipment designed for~~  
28 ~~the automated storage, manipulation, and retrieval of data by~~

1 electronic or mechanical means and includes, but is not limited to,  
2 central processing units, front-end processing units including  
3 miniprocessors and microprocessors, and related peripheral  
4 equipment such as data storage devices, document scanners, data  
5 entry, terminal controllers, and data terminal equipment,  
6 computer-related word processing systems, and equipment and systems  
7 for computer networks,

8           (3) Data processing services means all services that  
9 include feasibility studies, systems design, software development,  
10 or time-sharing services,

11           (4) Data processing software means the programs and  
12 routines used to employ and control the capabilities of data  
13 processing hardware, including, but not limited to, operating  
14 systems, compilers, assemblers, utilities, library routines,  
15 maintenance routines, applications, and computer networking  
16 programs,

17           (5) Commission means the Nebraska Information Technology  
18 Commission;

19           (2) Department means the Department of Administrative  
20 Services;

21           (6) Director means the Director of Administrative  
22 Services,

23           (7) (3) Enterprise means the entirety of all departments,  
24 offices, boards, bureaus, commissions, or institutions in the state  
25 for which money is to be appropriated for communications or data  
26 processing services, equipment, or facilities, including all  
27 executive, legislative, and judicial departments, the Nebraska  
28 state colleges, the University of Nebraska, and all other state



1 institutions and entities;

2           (4) Enterprise project means an endeavor undertaken over  
3 a fixed period of time using information technology, which would  
4 have a significant effect on a core business function and affects  
5 multiple government programs, agencies, or institutions.  
6 Enterprise project includes all aspects of planning, design,  
7 implementation, project management, and training relating to the  
8 endeavor;

9           ~~(8)~~ (5) Fund means the Information Technology  
10 Infrastructure Fund;

11           ~~(9)~~ (6) Information technology means computing and  
12 telecommunications systems and their supporting infrastructure and  
13 interconnectivity used to acquire, transport, process, analyze,  
14 store, and disseminate information electronically; data processing  
15 hardware, software, and services, supplies, personnel, facility  
16 resources, maintenance, and training;

17           ~~(10)~~ (7) Information technology infrastructure means the  
18 basic facilities, services, and installations needed for the  
19 functioning of information technology; and

20           ~~(11)~~ Program means the Information Technology  
21 Infrastructure Program.

22           (8) Statewide technology plan means the plan developed by  
23 the Nebraska Information Technology Commission pursuant to section  
24 86-1506.

25           Sec. 5. Section 81-1192, Reissue Revised Statutes of  
26 Nebraska, is amended to read:

27           81-1192. The Legislature finds that:

28           (1) The effective, efficient, and cost-effective

1 operation of state government requires that information be  
2 considered and managed as a strategic resource;

3 (2) Information technologies present numerous  
4 opportunities to more effectively manage the information necessary  
5 for state government operations;

6 (3) Information technologies are changing and advancing  
7 at a very rapid rate, increasing the computing power available to  
8 individual users;

9 (4) ~~Enterprise-wide~~ The commission should have the  
10 responsibility to establish goals, guidelines, and priorities for  
11 information technology infrastructure; and ~~should be established,~~  
12 ~~and~~

13 (5) Periodic investments in the information technology  
14 infrastructure are required to develop and maintain the foundation  
15 for the effective use of information technologies throughout state  
16 government.

17 Sec. 6. Section 81-1194, Reissue Revised Statutes of  
18 Nebraska, is amended to read:

19 81-1194. It is the intent of the Legislature that:

20 (1) A program be created with the goals of:

21 (a) Improving the efficiency of and reducing the cost of  
22 state government and its various agencies;

23 (b) Improving the technical capabilities and productivity  
24 of state employees and students, faculty, and administrators in  
25 state educational institutions;

26 (c) Addressing enterprise-wide information technology  
27 issues; and ~~7 including the century date change, and~~

28 (d) Clearly identifying and providing accountability for

1 the costs and benefits of information technology in state  
2 government; and

3 (2) A fund be created to provide resources for periodic  
4 investments in the information technology infrastructure.

5 Sec. 7. Section 81-1195, Reissue Revised Statutes of  
6 Nebraska, is amended to read:

7 81-1195. The Information Technology Infrastructure Fund  
8 is hereby created. The fund shall contain revenue from the special  
9 privilege tax as provided in section 77-2602, gifts, grants, and  
10 such other money as is appropriated or transferred by the  
11 Legislature. The fund shall be used to attain the goals listed in  
12 section 81-1194 and the goals and priorities identified in the  
13 statewide technology plan. The fund shall be administered by the  
14 department. Expenditures shall be made from the fund to finance  
15 the operations of the Information Technology Infrastructure Act in  
16 accordance with the appropriations made by the Legislature. Any  
17 money in the fund available for investment shall be invested by the  
18 state investment officer pursuant to the Nebraska Capital Expansion  
19 Act and the Nebraska State Funds Investment Act. ~~The Director of~~  
20 ~~Administrative Services shall, in consultation with the Director of~~  
21 ~~Communications and the information management services~~  
22 ~~administrator, assess the financing needs of projects implemented~~  
23 ~~under the Information Technology Infrastructure Act. The Director~~  
24 ~~of Administrative Services shall provide for a system of equitable~~  
25 ~~billings and charges for project costs to any state agency when the~~  
26 ~~billings or charges are allocable to a particular project carried~~  
27 ~~out under the act. The billings or charges shall reflect, as~~  
28 ~~nearly as may be practical, the actual agency share of project~~

1 ~~costs. No state agency shall be billed or charged for project~~  
2 ~~costs until a written agreement has been entered into by the~~  
3 ~~department and the appropriate state agency. Agreements shall at a~~  
4 ~~minimum include: (1) A description of the scope of the project; (2)~~  
5 ~~the estimated project cost; and (3) the fund source allocation~~  
6 ~~formula that will be applied to project billings or charges. All~~  
7 ~~payments received by the department for project expenses shall be~~  
8 ~~credited to the fund. Any fund balance transfer into the~~  
9 ~~Information Technology Infrastructure Fund shall be approved by an~~  
10 ~~act of the Legislature. The fund may be used for short-term~~  
11 ~~lease-purchases; however, no lease-purchase contracts using the~~  
12 ~~fund as a source of funding may extend beyond June 30, 2001. The~~  
13 ~~director may make assessments for programs implemented under the~~  
14 ~~act until June 30, 2001.~~

15           Sec. 8. The Legislature may allocate money from the fund  
16 for enterprise projects. The Legislature may recognize  
17 multiple-year commitments for large projects, subject to available  
18 appropriations, including remaining obligations for the century  
19 date change project managed by the department. No contract or  
20 expenditure for the implementation of an enterprise project may be  
21 initiated unless the commission has approved a project plan. The  
22 project plan shall include, but not be limited to, the objectives,  
23 scope, and justification of the project; detailed specifications  
24 and analyses that guide the project from beginning to conclusion;  
25 technical requirements; and project management. The commission may  
26 request clarification, require changes, or provide conditional  
27 approval of a project plan. In its review, the commission shall  
28 determine whether the objectives, scope, timeframe, and budget of

1 the project are consistent with the proposal authorized by the  
2 Legislature in its allocation from the fund. The commission may  
3 also evaluate whether the project plan is consistent with the  
4 statewide technology plan and the commission's technical standards  
5 and guidelines. Pursuant to section 86-1510, the Chief Information  
6 Officer shall report the status of enterprise projects to the  
7 commission, Governor, and Legislature.

8           Sec. 9.     Section 81-1199, Reissue Revised Statutes of  
9 Nebraska, is amended to read:

10           81-1199.   The director may hire and reassign staff  
11 support and contract to obtain such operational support as may be  
12 required for century date change projects.   The director shall.  
13 The commission shall:

14           (1) Develop procedures and issue guidelines regarding the  
15 review, approval, and monitoring of enterprise projects that  
16 benefit from the fund; and applications for and uses of the  
17 Information Technology Infrastructure Fund;

18           ~~(2) Develop a system of charges for project costs and~~  
19 ~~monitor the use of funds retained in state agency budgets that are~~  
20 ~~dedicated for information technology infrastructure projects;~~

21           ~~(3) Evaluate and approve any such contracts between the~~  
22 ~~department and other state agencies, boards, or commissions or~~  
23 ~~outside vendors which will achieve the goals and purposes of the~~  
24 ~~Information Technology Infrastructure Act;~~

25           ~~(4)~~ (2) Monitor the status of projects implemented under  
26 the Information Technology Infrastructure Act, including a complete  
27 accounting of all project costs by fund source. ~~+~~ and

28           ~~(5) Appoint a qualified project administrator in the~~

1 ~~department to provide full-time project management.~~

2           Sec. 10. Section 81-11,102, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4           81-11,102. The ~~department~~ commission shall report  
5 ~~quarterly~~ annually to the Governor and the Appropriations Committee  
6 of the Legislature concerning its activities pursuant to the  
7 Information Technology Infrastructure Act.

8           Sec. 11. Original sections 81-1190 to 81-1192, 81-1194,  
9 81-1195, 81-1199, and 81-11,102, Reissue Revised Statutes of  
10 Nebraska, section 81-179, Revised Statutes Supplement, 1998, and  
11 section 77-2602, Revised Statutes Supplement, 1999, are repealed.

12           Sec. 12. The following sections are outright repealed:  
13 Sections 81-1193, 81-1197, 81-1198, 81-11,100, 81-11,101, and  
14 81-11,103, Reissue Revised Statutes of Nebraska.